

# **UNIFORM PRUDENT MANAGEMENT OF INSTITUTIONAL FUNDS ACT**

## **NONJUDICIAL SETTLEMENT**

### **Guidelines for Notice to the Attorney General**

#### **Introduction**

Effective July 1, 2008 under the Uniform Prudent Management of Institutional Funds Act (UPMIFA) institutions may now elect to utilize the nonjudicial settlement option for purposes of releasing or modifying the restriction on an institutional fund in certain specific circumstances:

**RSA 292-B:6** *“IV. If an institution determines that a restriction contained in a gift instrument on the management, investment, or purpose of an institutional fund is unlawful, impracticable, impossible to achieve, or wasteful, the institution, 60 days after notification to the attorney general, may release or modify the restriction, in whole or part, if:*

*(a) The institutional fund subject to the restriction has a total value of less than \$25,000;*

*(b) More than 25 years have elapsed since the fund was established; and*

*(c) The institution uses the property in a manner consistent with the charitable purposes expressed in the gift instrument.”*

The statute requires the institution to provide a 60-day notice to the Attorney General of its intent to exercise this option. This document is designed to explain the specific requirements of the notice provision.

#### **60-Day Notice and Documentation**

- **Letter** addressed to Michael S. DeLucia, Director, Charitable Trusts Unit, 33 Capital Street, Manchester, NH 03301-6397 that includes the following information: name and address of the institution administering the fund, the name of the specific fund, the date the fund was established, the current value of the fund, the reason or reasons the fund has been determined to be unlawful, impracticable, impossible to achieve, or wasteful, the specific restriction to be modified and/or released, the amended language describing how the fund will be used after the modification or release, and the effective date of the change.
- **Documentation** to be attached to the letter: copy of original gift instrument creating the fund and any documentation supporting the institution’s decision to utilize the nonjudicial settlement option for this particular fund.

- **The 60-day period commences on the date the notice is received by the Department of the Attorney General, Charitable Trusts Unit.**

**If you have any questions please do not hesitate to contact Director Michael DeLucia or Assistant Director Terry Knowles at 603-271-3591.**